

Message Text

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ACTION EUR-08

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FM AMCONSUL MILAN

TO AMEMBASSY ROME IMMEDIATE

INFO SECSTATE WASHDC 4608

C O N F I D E N T I A L SECTION 1 OF 2 MILAN 0586

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, PINT, PINR, SOPN, IT, US

SUBJECT: PROTEST TO PUBLISHER MONDADORI ON LA REPUBBLICA AND
PANORAMA

1. I LUNCHEDED MARCH 9 WITH GIORGIO MONDADORI IN COMPANY COMMON
FRIEND PHILIP MARFUGGI, PRES. AMERICAN CHAMBER COMMERCE IN
ITALY TO PROTEST MONDADORI'S DISTORTED AND FALSE REPORTING
ON MATTERS RELATING TO U.S. IN HIS WEEKLY PANORAMA AND DAILY
LA REPUBBLICA OWNED WITH AGNELLI'S BROTHER-IN-LAW.

2. DISCUSSION BEGAN BEFORE LUNCH WITH MONDADORI, WHO KNEW PURPOSE
OF LUNCH, ASSURING THAT HIS GIANT PUBLISHING HOUSE NOT AT
ALL ANTI-U.S. INDEED, HE DID LARGE BUSINESS WITH US AND
HAD COOPERATIVE ARRANGEMENT WITH TIME, NEWSWEEK, ETC.
PROBLEM WAS, HE SAID, THAT HE CONVINCED EUROPE WAS CHANG-
ING. HE DID NOT KNOW WHERE IT WOULD END PRECISELY. BUT
A NEW SOCIALIST EUROPE IN THE MAKING. WHETHER THE US
WOULD BE ABLE TO UNDERSTAND AND COME TO TERMS WITH THE
NEW EUROPE REMAINED TO BE SEEN.

3. IN ITALY, CHRISTIAN DEMOCRATS WERE TO BLAME FOR
FAILURE OF SCHOOLS, HOSPITALS, ENVIRONMENT, ECONOMY,
ETC. THERE WAS NO USE IN TRYING TO DEFEND THEM. PUBLIC
WAS NOT LISTENING AND HE COULDN'T SELL MAGAZINES TO A
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PUBLIC THAT WASN'T LISTENING. MONDADORI AND HIS

COLLEAGUES FAVORED A SOCIALIST ALLIANCE WITH PART OF THE CHRISTIAN DEMOCRATIC PARTY. THAT WAS THEIR POSITION.

4. HE WAS ALWAYS READY TO HEAR COMPLAINTS FROM THOSE WHO FELT THEY HAD BEEN WRONGED BY HIS PUBLICATIONS. BUT THERE WAS LITTLE THAT AN OWNER COULD DO--THE UNIONS HAD ALL THE CARDS AND HIS HANDS WERE TIED. HE COULD ONLY SUGGEST TO THE EDITOR AND HOPE FOR A HEARING. IN ANY EVENT, IF THERE WERE LIES OR FALSE CHARGES, EVERYONE IN ITALY HAD THE RIGHT TO SUE FOR LIBEL. THAT WAS THE PROPER CHANNEL FOR REDRESS.

5. IN REPLY, I SAID THAT PURPOSE OF MY VISIT WAS NOT TO CHALLENGE HIS POLITICAL JUDGMENT OR ORIENTATION. IT WAS FAIR ENOUGH TO CRITICIZE THE US FOR ITS POLICIES IF ONE DISAGREED. BUT IT WAS PROFOUNDLY UNFAIR TO CRITICIZE US FOR POLICIES THAT WERE NOT OURS AND FAULTS THAT WE HAD NOT COMMITTED. PURPOSE WAS TO BRING TO HIM AS OWNER AND BOSS OF MONDADORI EXAMPLES OF DISHONEST AND INACCURATE REPORTING. HE WAS RESPONSIBLE FOR HIS SUBORDINATES AND WE ASSUMED THAT AS AN HONORABLE, INTELLIGENT AND RESPONSIBLE LEADER HE DID NOT CONDONE PUBLICATION OF FALSEHOODS. NOR COULD WE RESORT TO COURTS. POLITICALLY THAT WAS OUT OF THE QUESTION AND, MOREOVER, THE VOLUME OF FALSE INFORMATION WAS SUCH THAT WE COULD NOT EVEN KEEP UP WITH SETTING THE FACTS STRAIGHT LET ALONE CARRY THEM TO COURT.

6. SPECIFICALLY, I PRESENTED TEXT OF EMBASSY'S EXCELLENT FEB. 20 BACKGROUND BRIEFING ON PANORAMA'S FEB 24, 1976 STORY EMPHASIZING UNTRUTH OF CHARGES ABOUT AMBASSADOR AND UNDERSCORING HIS UNDOUBTED COMMITMENT TO ITALIAN DEMOCRACY.

7. THIS FOLLOWED BY PRESENTATION OF: (1) PANORAMA'S FEB 10 STORY ENTITLED "SPY COUNTRY" POINTING OUT FIVE CENTRAL FACTUAL ERRORS; (2) LA REPUBBLICA'S JAN 31 ARTICLE BY AOLO GUZZANTI PRUPORTING TO QUOTE "A CIA EMPLOYEE IN ROME" WHO WAS CLEARLY EMBASSY CONFIDENTIAL

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PRESS ATTACHE - PERFECTLY WELL KNOWN TO GUZZANTI AS SUCH WHOSE VIEWS EVEN SO EMBROIDERED WITH MALEVOLENT FANTASY ; (3) LA REPUBBLICA HEADLINE OF JAN 22, 1976, BLAMING RUN ON LIRE ON US GOVERNMENT TOGETHER WITH LEAD EDITORIAL ENTITLED "AMERICA TOYS WITH OUR CURRENCY" IN WHICH ABSOLUTELY NO MENTION OF US THEN MADE. FINALLY, I PRODUCED COPY OF LATEST MONDADORI SPY THRILLER, FRENESIA IN NICOSIA, TURNED UP

BY EMBASSY ROME, WHICH INCLUDES 16 PAGE DOSSIER ON CIA
IN ITALY LISTING, INTERALIA, "NAMES OF CIA AGENTS IN
ITALY 'PROVIDED BY' DR. JULIUS MARDER OF BERLIN" AND
PARTICULARLY RELEVANT BECAUSE OF INCLUSION A NUMBER OF
FSO'S AMONG THEM MYSELF.

8. HERE WERE A FEW CASES CHOSEN AMONG MAY OF PURE INVENTION
WHICH HE AND I BOTH COULD RECOGNIZE AS THAT. IT WAS
NO QUESTION OF POLITICAL ORIENTATION BUT OF SIMPLY HONESTY.

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9. MONDADORI EXAMINED EACH EXHIBIT WITH SOME CARE. AT
CONCLUSION HE SAID THAT INCLUSION OF POLITICAL MATERIALS
IN SPY NOVEL WAS CONTRARY TO HIS EXPLICIT DIRECTIONS TO
EDITOR FIVE TIMES BEFORE. HE WOULD REPEAT HIS GUIDANCE
A SIXTH TIME AND THAT WOULD DO SOME GOOD FOR A WHILE.
AS FOR THE REST, HE CONSTANTLY URGED HIS EDITORS TO STICK
TO THE FACTS. BUT WHAT COULD HE DO? HE COULDN'T
CHECK ALL THE FACTS AND THE EDITORS WERE INDEPENDENT.

10. I REPLIED THAT EDITORIAL INDEPENDENCE WAS FLEXIBLE.
IT HAD LONG BEEN SAID THAT THE CORRIERE DELLA SERA WAS
INDEPENDENT OF ITS OWNER. BUT, SUDDENLY WHEN ITS FINANCIAL
NEEDS BECAME ACUTE, IT MADE AN ABRUPT CHWNGE IN POLITICAL
LINE. SURELY THE OWNER OF THE MONDADORI PUBLISHING HOUSE COULD
NOT BE IGNORED BY HIS EMPLOYEES - EVEN EDITORS.

11. AS FOR KEEPING TRACK OF THE FACTS, I OFFERED TO COLLABORATE WITH HIM BY INFORMING HIM OF THE MOST SIGNIFICANT ERRORS FROM TIME TO TIME IF HE WANTED ME TO DO SO.

12. MONDADORI SAID THAT WOULD SUIT HIM FINE. HE GAVE ME HIS PRIVATE PHONE NUMBER WITH AN INVITATION TO CALL HIM PERSONALLY WHENEVER I WISHED. BUT, HE CONCLUDED, WHILE HE AGREED WITH 70 PERCENT OF OUR CASE, WE SHOULD NOT

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EXPECT HIM TO BE ABLE TO HAVE MORE THAN A VERY MARGINAL INFLUENCE ON PANORAMA OR LA REPUBBLICA.

13. AT LUNCH MONDADORI SAID THAT HE HAD MET TOP COMMUNIST LEADERS FOR FIRST TIME LAST YEAR AND WAS CONVINCED THEY WERE SINCERE. THEY DID NOT WANT TO BECOME MAJORITY PARTY BECAUSE NEXT STEP WOULD BE SOVIET TAKE OVER IN ITALY AND THEIR LIQUIDATION.

14. MONDADORI SAID HE WAS LOOKING FOR A JOINT VENTURE IN THE US. HE WANTS TO MAKE A MAJOR INVESTMENT THERE. WHY? WELL,

BECAUSE HE WANTED INSURANCE IN CASE THINGS WENT SOUR IN ITALY* HE WAS INVESTING 20 MILLION DOLLARS IN ITALY THIS YEAR SO THAT HE COULDN'T BE ACCUSED OF DISINVESTING HERE. BUT HE WANTED TO EXPAND HIS BASE ABROAD AND WAS NOW COMPLETING A PLANT IN SPAIN IN ADDITION TO AN INK FACTORY THAT HE ALREADY HAD IN LUXEMBOURG.

15. BIO NOTES: SIXTY YEARS OLD MONDADORI, SPEAKS EXCELLENT ENGLISH. HE IS PASSIONATELY INTERESTED IN PRINTING WHICH HE STUDIED IN UK BEFORE WAR. SINCE LAST YEAR, HIS TWO SONS OF 9 AND 11 ARE AT BOARDING SCHOOL IN ENGLAND WHICH HE SAYS HE VISITS EVERY SUNDAY. (HE MADE NO MENTION OF HIS DAUGHTER.) HE SENT THEM ABROAD (AS HAVE MANY WEALTHY MILANESE LIKE PIRELLI) BECAUSE OF FEAR OF THEIR KIDNAPPING. A BIG, POWERFUL MAN WHO IS PLAIN SPOKEN, MONDADORI IS VASTLY PROUD OF HIS ENORMOUS OSCAR NIEMEYER NEW HEADQUARTERS IN MILAN OUTSKIRTS, HIS GOOD LABOR RELATIONS (WHICH HAVE PATERNALISTIC FLAVOR) AND HIS PUBLISHING HOUSE THAT HAS ABOUT A THIRD OF ITALY'S TOTAL PUBLISHING MARKET. HE DOES NOT STRIKE ONE AS A PUBLISHER AT THE MERCY OF HIS EMPLOYEES.FINA

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